



1999/2000 Copayment Report

During the 1999-2000 benefit year, **49** families enrolled in the Healthy Families Program (HFP) paid the maximum annual health benefit copayment amount of \$250. This represents less than one tenth of one percent (.035%) of the total HFP families during the 1999/2000 measurement year.

INTRODUCTION AND BACKGROUND

The design of the HFP benefits package requires subscribers to pay \$5 copayments for certain benefits at the time services are provided. Health services that require copayments include physician office visits, prescription drugs, outpatient mental health and substance abuse services, acupuncture, chiropractic and biofeedback services. Dental services that require copayments include major procedures such as root canals, crowns and bridges. Vision services (eye examinations and prescription glasses) require copayments.

There are many benefits that are provided which do not require copayments. These health and dental services include:

- Preventative health services (such as well child check-ups)
- Immunizations
- Inpatient care
- Preventative dental care
- Restorative dental procedures such as fillings and x-rays

Federal law limits the out-of-pocket expenses that may be charged to families to no more than 5 percent of household income for families above 150% of the federal poverty level (fpl). For families with household incomes up to 150% fpl, out-of-pocket expenses are limited to "reasonable amounts as approved by the Secretary of Health and Human Services". California Insurance Code, Section 12693.615 further restricts the amount of copayments to no more than \$250 per year per family for health benefits.

This report provides information on how many families reached the \$250 annual maximum copayment during the July 1, 1999 to June 30, 2000 benefit year. Each year participating health plans are required to report the number of families who meet the \$250 copayment maximum for the previous benefit year. Annually, participating dental plans are required to report the number of subscribers who pay copayments. The health plan and dental plan copayment reports allow the Managed Risk Medical Insurance Board (MRMIB) to track the number of families who reach the maximum health plan copayment each year, and determine whether any of these same families are also paying dental copayments. Vision Service Plan (VSP) also provides information regarding copayments paid by families.

RESULTS FOR 1999/2000 BENEFIT YEAR

✓ Enrollment

The total number of HFP subscribers enrolled during the 1999/2000 benefit year was approximately 250,000. These subscribers belonged to 140,000 families who were members of 24 health plans participating in the HFP.

✓ Aggregate Findings

The total number of families reaching the \$250 copayment limit was **49**. The total number of children in these families equaled **107**. Approximately .035% of families met the maximum HFP copayment requirement during the 1999/2000 benefit year.

✓ Results by Health Plan

Of the 24 participating health plans, nine had at least one family who reached the maximum \$250 dollar limit. Fifteen plans had no subscribers reaching \$250 in copayments.

Plan Name	Number of Families Reaching \$250 Health Copayment Maximum	Number of Children Within Families Reaching \$250 Copayment Maximum
Kaiser	29	59
Blue Shield HMO	8	19
Blue Cross HMO	5	14
San Joaquin	2	4
Ventura County	1	3
Inland Empire Health	1	3
CalOptima	1	2
Alameda Alliance	1	2
San Mateo	1	1

DEMOGRAPHICS

MRMIB was able to link health, dental and vision plan copayment data with demographic data from the HFP enrollment database. This allowed MRMIB to generate demographic views for all children and families who reached the \$250 copayment maximum.

Family Income

Of the 49 families that reached the \$250 copayment maximum, *sixteen* families incurred vision copayments, *three* families incurred dental copayments and *one* family incurred both dental and vision copayments. The following table provides the income profile of the *average family who reached the \$250 health copayment limit* and paid a dental and/or vision copayment during the 1999/2000 benefit year.

Family Profile	Number of Families	Average Annual Income	Total HFP Premiums plus Copayments	% of Annual Income
All Families	49	\$31,490	\$399	1.27%
Incurred Vision Copayments	15	\$28,884	\$403	1.40%
Incurred Dental Copayments	2	\$33,612	\$326	.97%
Incurred Dental and Vision Copayments	1	\$48,780	\$388	.80%

As described earlier, federal law limits total out-of-pocket expenses (premiums plus copayments) to a “reasonable” amount with a limit of 5% of household income.

The highest percentage of household income used for out-of-pocket expenses was 2.31%, with the lowest

being .6%. The mean expense as a percent of household income was 1.27%. These figures provide validation for the federal “reasonableness” requirement.

Ethnicity, Primary Language and Region

The tables below compare demographic characteristics of the 49 families who met the \$250 annual copayment limit to those of the overall HFP population during 1999/2000 benefit year.

Ethnicity

Ethnicity	Families at \$250	HFP Population
Hispanic/Latino	54%	56%
White	24%	17%
Asian/Pacific Islander	11%	21%
African American	6%	3%
Other	5%	5%

Primary Language of the Applicant

Language	Families at \$250	HFP Population
English	62%	47%
Spanish	27%	41%
Asian	8%	8%
Other	3%	3%

Geographic Region

Area	Families at \$250	HFP Population
Los Angeles	33%	30%
Riverside/San Bernardino/Orange	24%	20%
Fresno/Kern	16%	5%
Bay Area	16%	10%
San Diego/Imperial	8%	8%
Other	3%	27%

CONCLUSION

The copayment requirements of HFP families are within the range of out-of-pocket expenses required by federal law. No family with a household income between 150% - 200% fpl paid at or over 5% of income for health insurance copayments. For families that reached the \$250 annual copayment limit with household incomes below 150% fpl, out-of-pocket expenses for premiums and copayments averaged less than 1.5% of income.

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